

Title 24
HOUSING AND COMMUNITY DEVELOPMENT

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Chapter 24.04
GENERAL PROVISIONS

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24.04.010 Policy. It is declared to be the policy of King County to provide for the repair and rehabilitation of privately owned dwellings within King County by the use of funds obtained through Federal grant programs. This title authorizes programs to implement Policy 1-8(B) of Ordinance 2555 which states as follows: "King County shall create and support measures which will provide incentives to maintain and rehabilitate older housing. This shall include obtaining private or public monies and pursuing feasible proposals to encourage maintenance and restoration of housing units, particularly for homeowners whose income requires such assistance." Nothing in this title shall authorize the use of public funds in violation of Article VIII, Section 7 of the Washington State Constitution, and the sole source of all public funds expended hereunder shall be federal grant moneys. (Ord. 3856 § 1, 1978; Ord. 3269 § 101, 1977).

24.04.020 Findings. The King County council finds that:

A. The best interests and general welfare of King County would be served by the providing of federally funded assistance to homeowners, so that they will have an opportunity to continue to live in their present dwellings;

B. It is also in the best interests and general welfare of King County to upgrade the living environment of low-income renters when guarantees can be obtained from landlords or assistance provided to tenants to safeguard the tenants' interests and justify the public investment;

C. Programs should be established which will further the aforementioned policies, such programs to provide for the maintenance and improvement of living environments in order to provide safe and sanitary living conditions for the citizens of King County;

D. Implementation of housing rehabilitation and repair programs consistent with the foregoing statements would be complementary to and consistent with the King County housing policies adopted in Ordinance 2555;

E. King County and cooperating jurisdictions under interlocal agreements have responsibility and authority to carry out housing rehabilitation and repair programs within areas delineated in the King County Consolidated Housing and Community Development Plan;

F. Various federally-funded programs, including the Community Development Block Grant Program under the Housing and Community Development Act of 1974 and the HOME Investment Partnerships Act (HOME) under the Cranston-Gonzalez National Affordable Housing Act of 1990, provide a source of funds and an opportunity for King County to implement certain housing and rehabilitation repair programs;

G. No person shall be denied the opportunity to participate in any King County housing repair and rehabilitation program as a result of discrimination based on race, color, religion, national origin, age, sex, marital status, parental status, participation in the Section 8 program, sexual orientation, disability or the use of a trained dog guide by a person with a disability. Antidiscrimination policies shall comply with the requirements of K.C.C. 12.20;

H. It is desirable and will significantly benefit the objectives of all housing rehabilitation and repair programs for the director of the community and human services department, to have direct approval authority with respect to loans, grants, and other financial assistance provided under the King County housing rehabilitation and repair program. (Ord. 11684 § 16, 1995: Ord. 10504 § 2, 1992: Ord. 6927 § 1, 1984: Ord. 3269 § 102, 1977).

24.04.030 Housing rehabilitation and repair. A. CONTRACTING. The county executive is authorized, on behalf of the county, to contract with other entities, including the housing authority, for the purpose of operating and otherwise carrying out aspects of the housing rehabilitation and repair program; provided, that interlocal cooperation agreements shall be presented to the county council for approval.

B. GEOGRAPHIC LOCATION. The geographic locations for carrying out the housing rehabilitation and repair program shall be established annually in the Comprehensive Housing Affordability Strategy (CHAS).

C. CONFIDENTIALITY. Financial information obtained from applicants shall, to the extent permitted by state law, be kept confidential and not publicly disclosed.

D. JOINT ASSISTANCE. Any combination of assistance under the Block Grant Housing Repair Program and other monies designated for housing rehabilitation, may be authorized by the director for a single-family, owner-occupied dwelling or investor-owned property. (Ord. 10504 § 3, 1992: Ord. 3856 § 2, 1978: Ord. 3269 § 103, 1977).

Chapter 24.08 DEFINITIONS

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24.08.010 Generally. For the purpose of this title, the following terms have the meanings ascribed to them in this chapter. (Ord. 3269 § 2, 1977).

24.08.020 Community development block grant. "Community development block grant" means the federally funded program authorized by the Housing and Community Development Act of 1974, P.L. 93-383, as amended. (Ord. 3269 § 201, 1977).

24.08.030 Department. "Department" means the King County community and human services department. (Ord. 11684 § 17, 1995: Ord. 10504 § 4, 1992: Ord. 3269 § 202, 1977).

24.08.040 Director. "Director" means the director of the King County community and human services department or his or her official designee. (Ord. 11684 § 18, 1995: Ord. 10504 § 5, 1992: Ord. 3269 § 203, 1977).

24.08.048 Dwelling unit. "Dwelling unit" means a single-family owner-occupied property which includes the following: a one to four family dwelling, a manufactured home, a mobile home, or a cooperative unit. (Ord. 10504 § 6, 1992).

24.08.050 Emergency repair. "Emergency repair" means the repair of any condition which poses an immediate threat to the health and/or safety of the occupants of a dwelling unit, as determined by the director. (Ord. 3856 § 4, 1978).

24.08.066 HOME. "HOME" means the federal HOME Investment Partnerships Act (HOME) enacted as Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. (Ord. 10504 § 7, 1992).

24.08.067 HOME housing repair program. "HOME housing repair program" means the King County housing repair program funded by the federal HOME Investment Partnership Act. (Ord. 10504 § 8, 1992).

24.08.068 HOME rental rehabilitation program. "HOME rental rehabilitation program" means the King County rehabilitation program for investor-owned properties, funded by the federal HOME Investment Partnerships Act. (Ord. 10504 § 9, 1992).

24.08.070 Homeowner. "Homeowner" means one or more natural persons who hold legal title to real property which is to be repaired or rehabilitated, or the purchaser-occupant of real property under a land sale or similar contract of purchase. (Ord. 3269 § 205, 1977).

24.08.080 Homeowner property. "Homeowner property" means real property which is occupied by the homeowner for residential purposes and which contains one to four dwelling units. (Ord. 10504 § 10, 1992: Ord. 3269 § 206, 1977).

24.08.085 Household income. For the purposes of determining eligibility to participate in county-sponsored housing repair programs, "household income" includes income of any adult over the age of 18 who contributes toward the operation/maintenance of the household and all income derived from other sources including employment, social security, pensions, rent, and interest income from investments. (Ord. 10504 § 11, 1992).

24.08.090 Housing assistance plan. "Housing assistance plan" means that plan prescribed by the Housing and Community Development Act of 1974, P.L. 93-383, as amended, which plan is annually revised and adopted by the county. (Ord. 3269 § 207, 1977).

24.08.100 Housing authority. "Housing authority" means the housing authority of the county, as authorized by state law, RCW Chapter 35.82. (Ord. 3269 § 208, 1977).

24.08.110 Housing rehabilitation and repair program. "Housing rehabilitation and repair program" means the overall effort of King County to provide assistance for the rehabilitation and repair of privately owned dwelling units and includes each separate program authorized by this chapter. (Ord. 3269 § 209, 1977).

24.08.120 HUD. "HUD" means the United States Department of Housing and Urban Development. (Ord. 3269 § 210, 1977).

24.08.130 Immediate family member. "Immediate family member" means a husband, father, mother, brother, sister, son, daughter, wife, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law of the person concerned. (Ord. 3269 § 211, 1977).

24.08.140 Incipient violation. "Incipient violation" means the state or physical condition of a structural element which, at the time of inspection, is found to be in such a deteriorated condition that, if left uncorrected, will further deteriorate in the near future into a violation of the King County Housing Code, as revised. (Ord. 3269 § 212, 1977).

24.08.150 Investor-owned property. "Investor-owned property" means real property containing one or more residential units on a single site that is under common ownership, management, and financing. (Ord. 10504 § 12, 1992: Ord. 6927 § 2, 1984: Ord. 3269 § 213, 1977).

24.08.160 Low income. "Low income" means fifty percent of the median income level for the county. Specific median income levels vary according to household size. (Ord. 3269 § 214, 1977).

24.08.170 Median income. "Median income" means the median income level for the county as defined in the annual Housing Assistance Plan. Specific median income levels vary according to household size. (Ord. 3269 § 215, 1977).

24.08.180 Mobile home. For purposes of K.C.C. Chapter 24.16 only, "mobile home" means a factory-assembled structure made so as to be readily movable on its own chassis; designed to be used and in fact used as a dwelling unit with or without a permanent foundation; and connected to sewer, water, and electrical utilities. (Ord. 5021 § 4, 1980: Ord. 3269 (part), 1977).

24.08.190 Moderate income. "Moderate income" means eighty percent of the median income for the county. (Ord. 3269 § 216, 1977).

24.08.200 Modest home improvements. "Modest home improvements" means additions to or enlargement of the living area to provide sufficient space to reduce overcrowding problems. (Ord. 3269 § 217, 1977).

24.08.202 Monthly rental housing cost. "Monthly rental housing cost" means the sum of the monthly rent paid by the tenant to the owner of investor-owned property and the monthly utility allowance as defined in the federal regulations at 24 CFR Part 511.1. (Ord. 6927 § 5, 1984).

24.08.204 Permanent displacement. "Permanent displacement" means displacement of a tenant from an investor-owned property when, as a result of the rehabilitation of the property, the sum of the monthly rent and utilities is greater than the total tenant payment required by federal rental assistance programs as well as greater than the sum of the monthly rent and utilities before rehabilitation, regardless of whether a tenant actually moves from the rehabilitated property. (Ord. 6927 § 4, 1984).

24.08.210 Poverty level income. "Poverty level income" means poverty level as determined in accordance with the criteria established by the director of the Federal Office of Management and Budget. (Ord. 5021 § 6, 1980: Ord. 3269 (part), 1977).

24.08.220 Private financial institution. "Private financial institution" means a depository (including banks, savings and loan associations, credit unions and other financial institutions), in which deposits are federally insured. (Ord. 5021 § 5, 1980: Ord. 3269 (part), 1977).

24.08.230 Reasonable monthly charge. "Reasonable monthly charge" means the amount set forth in a rent schedule for investor-owned property, designed to prevent windfall profits, which is agreed upon between the county and/or HUD and the property owner at the time a loan agreement is signed and which is based on changes to the existing rent schedule which will reflect only those additional costs attributable to the loan. A reasonable monthly charge during the period of the aforementioned agreement may include increases necessary to compensate the investor owner for any net increase occurring in taxes (other than income taxes) and in operating and maintenance expenses over which the investor owner has no effective control; provided, that these increases are not the result of the subject repair or rehabilitation. (Ord. 3269 § 218, 1977).

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24.08.245 Temporary displacement. "Temporary displacement" means displacement of a tenant, resulting from rehabilitation of investor-owned property, which is necessary to carry out the rehabilitation and lasts only for the duration of the rehabilitation project. (Ord. 6927 § 3, 1984).

24.08.250 Unified weatherization program. "Unified weatherization program" means the overall effort of King County to provide assistance for retrofit and repair to dwelling units which will result in energy conservation. (Ord. 5021 § 7, 1980; Ord. 3269 (part), 1977).

Chapter 24.12 "HOME" HOUSING REPAIR PROGRAM

Sections:

- 24.12.005 Appropriation authorized.
- 24.12.015 Eligible property owners.
- 24.12.025 Eligible properties.
- 24.12.035 Investment dollar limits.
- 24.12.045 Eligible repair costs.
- 24.12.055 Eligible forms of financial assistance.
- 24.12.065 Credit program implementation.

24.12.005 Appropriation authorized. The county council may appropriate federal HOME funds for the purpose of a housing repair program for properties owned and occupied by low- and moderate-income homeowners. (Ord. 10504 § 13, 1992).

24.12.015 Eligible property owners. Financial assistance may be provided to homeowners with incomes equal to or less than the moderate-income level (80% of median), provided that priority shall be given to those homeowners targeted by the HOME Investment Partnerships Act. Homeowners must have an ownership interest in the property and must occupy the property as a principal residence. Eligible ownership interest includes: fee simple title; 99 year leasehold interest in the property; and ownership or membership in a cooperative. (Ord. 10504 § 14, 1992).

24.12.025 Eligible properties. Eligible properties are any single-family properties, occupied as a principal residence by the owner, including the following: a one-to-four family property; a condominium unit; a manufactured home; a mobile home; or a cooperative unit.

Single-family, owner-occupied properties containing one to three rental units may be subject to investor-owned properties regulations, including provisions regarding tenant occupancy, initial rent levels, and long term rent controls if state or federal funds are used to assist rental units. If state or federal funds are not used to rehabilitate rental units in an owner-occupied two to four unit property, the rental housing rules do not apply. (Ord. 10504 § 15, 1992).

24.12.035 Investment dollar limits. The minimum level of HOME funds used for rehabilitation is \$1,000 per unit. The maximum level of HOME funds permitted per unit for single family rehabilitation is the maximum set for all HOME-assisted properties as provided by HUD for the area. (Ord. 10504 § 16, 1992).

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24.12.045 Eligible repair costs. Eligible repair costs include but are not limited to:

- A. Health and safety repairs, including handicapped access;
- B. Energy conservation repairs;
- C. Building preservation repairs;
- D. All other eligible repairs;
- E. Demolition costs - when part of a rehabilitation project;
- F. Site improvements and utility connections; and
- G. Other reasonable and necessary costs, including:
 - 1. Architectural, engineering or related professional services;
 - 2. Financing costs such as loan points, credit and title costs; recording fees, building permits, legal fees, appraisals, developer fees;
 - 3. Relocation costs (permanent and temporary); and
 - 4. Affirmative marketing and fair housing information services. (Ord. 10504 § 17, 1992).

24.12.055 Eligible forms of financial assistance. Funds may be invested as: interest-bearing loans, noninterest-bearing loans, interest subsidies, deferred payment loans, grants, and other forms as approved by HUD. (Ord. 10504 § 18, 1992).

24.12.065 Credit program implementation. The county executive is authorized as part of the HOME Housing Repair Program to enter into an agreement with one or more private financial institutions for the purpose of obtaining or making available for homeowner application private capital to be loaned to homeowners for housing rehabilitation purposes. Repayment of the lenders shall be the sole responsibility of the individual homeowners through standard mortgage loan agreements. (Ord. 10504 § 19, 1992).

Chapter 24.16 BLOCK GRANT HOUSING REPAIR PROGRAM

Sections:

- 24.16.010 Appropriation authorized.
- 24.16.020 Grant assistance.
- 24.16.030 Loan assistance.
- 24.16.040 Performance of work.
- 24.16.050 Eligibility and priority.
- 24.16.060 Administration.

24.16.010 Appropriation authorized. The county council may appropriate community development block grant funds for the purpose of a housing repair program for low and moderate income homeowner properties. The block grant housing repair program may incorporate grant or loan assistance, as described in subsections (b) and (c) of Section 24.16.020. (Ord. 3269 § 401, 1977).

24.16.020 Grant assistance. Grant assistance may be provided to homeowners with incomes equal to or less than the low-income level for emergency repairs only. The amount of the grant shall equal one hundred percent of the actual cost of needed repairs, up to a maximum of three thousand dollars per dwelling for the year 2001. Every year following the year 2001, the director may authorize an increase in the maximum home repair grant based upon an adjustment for inflation according to the Consumer Price Index inflation table. The director may for good cause authorize an additional amount of five percent above the maximum grant. Grant assistance may also be provided to mobile home owners, who do not have an ownership interest in the property on which the mobile home is situated, with incomes equal to or less than the low income level, and such grants may be made for any type of repair eligible under K.C.C. 24.16.050. The amount of the mobile home grant shall equal one hundred percent of the actual cost of needed repairs, up to a maximum of five thousand dollars per mobile home for the year 2001. Every year following the year 2001, the director may authorize an increase in the maximum mobile home repair grant based upon an adjustment for inflation according to the Consumer Price Index inflation table. The director may for good cause authorize an additional amount of up to five percent above the maximum grant. (Ord. 14093 § 1, 2001: Ord. 8467 § 1, 1988: Ord. 5021 § 2, 1980: Ord. 3856 § 6, 1978: Ord. 3269 § 402, 1977).

24.16.030 Loan assistance. Assistance in the form of interest-free secured loans up to a maximum amount of twenty thousand dollars for the year 2001, may be provided to homeowners with incomes equal to or less than the moderate income level, provided that priority shall be given to those homeowners with incomes equal to or less than seventy percent of the median income level. Every year following the year 2001, the director may authorize an increase in the maximum interest-free secured loan based upon an adjustment for inflation according to the Consumer Price Index inflation table. The loan shall be payable at the time of the homeowner's sale or transfer of the property or on a schedule agreed upon between the owner and the county if the owner desires earlier repayment. The loan shall be secured by a mortgage or other security interest to the county on the homeowner's property. Payment on the obligation shall be to the Federal Housing and Community Development Fund and shall become available for future appropriation under the community development program. (Ord. 14093 § 2, 2001: Ord. 8467 § 2, 1988: Ord. 3856 § 7, 1978: Ord. 3269 § 403, 1977).

24.16.040 Performance of work. Needed repairs to dwellings repaired under the grant and loan assistance programs authorized by this chapter may be performed either by the housing authority, acting under an agreement with the county, or by the homeowner, either personally or by contract. The homeowner's material and hired labor costs shall be approved in advance by the housing authority, acting under an agreement with the county; provided, that a homeowner shall not be reimbursed for his or her own labor, that of immediate family members, or that of residents of the dwelling. (Ord. 3269 § 404, 1977).

24.16.050 Eligibility and priority. A. Additions to dwellings and finishing work, except where needed to relieve overcrowding conditions shall not be eligible for assistance under the block grant housing repair program.

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- B. Repairs shall be approved according to the following order of priority:
1. Emergency repairs;
 2. Health and safety repairs, including handicapped access;
 3. Energy conservation repairs;
 4. Building preservation repairs; and
 5. All other eligible repairs. (Ord. 14093 § 3, 2001: Ord. 5021 § 3, 1980: Ord. 3856 § 8, 1978: Ord. 3269 § 405, 1977).

24.16.060 Administration. The block grant housing repair program shall be administered by the housing authority, pursuant to an agreement between the housing authority, and the county. The director shall undertake periodic sampling of dwellings to insure that the dwellings warrant the program's investment and that the completed repairs are satisfactory. (Ord. 5589 § 1, 1981: Ord. 3269 § 406, 1977).

Chapter 24.20

LENDER LOW-INTEREST HOUSING REHABILITATION PROGRAM

Sections:

- 24.20.010 Funds used for government-funded portion of program.
- 24.20.020 Credit program implementation.
- 24.20.030 Administration.
- 24.20.040 Rehabilitation fund establishment and use.
- 24.20.050 Eligibility and priority for assistance.
- 24.20.060 Prior approval of homeowner's materials and hired labor costs required.

24.20.010 Funds used for government-funded portion of program. Only community development block grant funds or other federal funds shall be used for the government-funded portion of the lender low-interest housing rehabilitation program as set forth in this chapter. (Ord. 5021 § 9, 1980: Ord. 3269 (part), 1977).

24.20.020 Credit program implementation. The county executive is authorized as part of the lender low-interest housing rehabilitation program to enter into a credit agreement with one or more private financial institutions for the purpose of obtaining private capital to be loaned to eligible homeowners for housing rehabilitation purposes. Repayment of the lenders shall not become a general obligation of the county, but shall be secured by pledging to the lenders all homeowner loan payments, and by establishing a loan guarantee fund consisting of community development block grant funds or other federal funds. The director shall implement the credit program in accordance with the eligibility standards contained in K.C.C. Section 24.20.050. (Ord. 5021 § 10, 1980: Ord. 3269 (part), 1977).

24.20.030 Administration. The program authorized by this chapter shall be administered by the department. (Ord. 5021 § 13(A), 1980: Ord. 3269 (part), 1977).

24.20.040 Rehabilitation fund establishment and use. Subject to the conditions set forth in this section and the HUD regulations contained in 24 CFR Section 570.513, the director may draw community development block grant funds from a letter of credit in a lump sum to establish a rehabilitation fund in one or more private financial institutions for the purpose of financing the rehabilitation of privately owned properties.

A. The county executive is authorized to enter into a written agreement for the deposit of such funds with participating private financial institutions. The agreement shall describe the obligations and responsibilities of the parties and the terms and conditions on which such funds are deposited consistent with the requirements of 24 CFR Section 570.513.

B. The rehabilitation fund may be used for the following purposes:

1. To make direct rehabilitation loans or grants to homeowners; or
2. To pay interest subsidies, or establish a fund for payment of subsidies, on rehabilitation loans made by private financial institutions with private funds; or
3. To guarantee the repayment of rehabilitation loans made to property owners by private financial institutions with private funds; or
4. To serve as collateral for financing actually extended to the county, where such financing is used to make rehabilitation loans or grants; or
5. To fund reserves and/or pay issuance or administrative costs in connection with the issuance of bonds or notes by the county, where such bond or note proceeds are to be used to fund rehabilitation loans or grants; or
6. For the payment of reasonable administrative fees and charges of the private financial institution related to the provision of financing for the rehabilitation of private property; or
7. For other uses as may be approved by HUD consistent with the objectives of 24 CFR Section 570.513. (Ord. 5021 § 13(B), 1980: Ord. 3269 (part), 1977).

24.20.050 Eligibility and priority for assistance. A. Assistance in the form of low-interest secured loans up to a maximum amount of \$27,000 may be provided to homeowners with incomes equal to or less than the moderate income level. Loans may consist of a combination of funds from a line of credit from private financial institutions and community development block grant funds or other federal funds.

B. Eligibility and priority of specific types of repairs shall be as stated in K.C.C. Section 24.16.050. (Ord. 10504 § 20, 1992: Ord. 5021 § 12, 1980: Ord. 3269 (part), 1977).

24.20.060 Prior approval of homeowner's materials and hired labor costs required. Needed repairs to dwellings performed under the program authorized by this chapter shall be performed by the homeowner, either personally or by contract. The homeowner's materials and hired labor costs shall be approved in advance by the county; provided, that a homeowner shall not be reimbursed for his or her own labor, that of immediate family members or that of residents of the dwelling. (Ord. 5021 § 11, 1980: Ord. 3269 (part), 1977).

Chapter 24.24 UNIFIED WEATHERIZATION PROGRAM

Sections:

- 24.24.010 Use of block grant funds authorized.
- 24.24.020 Eligibility and priority of repairs.
- 24.24.030 Extent of grant assistance to eligible persons.
- 24.24.040 Extent and repayment of loan assistance.
- 24.24.050 Performance of work-Prior approval of homeowner's costs required.

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24.24.010 Use of block grant funds authorized. Community development block grant funds may be used for the purpose of unified weatherization program for dwelling units occupied by persons whose incomes are at or below one hundred twenty-five percent of poverty level income. The block grant portion of the unified weatherization program may incorporate grant of loan assistance as described in this chapter. (Ord. 5021 § 15, 1980: Ord. 3269 (part), 1977).

24.24.020 Eligibility and priority of repairs. The following types of repairs will be eligible for assistance under the unified weatherization program and shall be approved in the following order of priority:

- A. Repairs necessary to stop weather infiltration into the dwelling unit; or
- B. Repairs necessary to maximize efficient use of energy within the dwelling unit such as weatherstripping, interior doors and closing off unused rooms; or
- C. Repairs necessary to improve heating and cooling efficiency of heating and air conditioning units; or
- D. Any other repairs to the dwelling units which will be cost effective for saving energy. (Ord. 5021 § 19, 1980: Ord. 3269 (part), 1977).

24.24.030 Extent of grant assistance to eligible persons. Grant assistance may be provided to eligible persons in an amount equal to one hundred percent of the repairs to a maximum of three hundred dollars per dwelling. (Ord. 5021 § 16, 1980: Ord. 3269 (part), 1977).

24.24.040 Extent and repayment of loan assistance. Assistance in the form of interest-free secured loans up to a maximum of two thousand dollars may be provided to eligible persons. The loan obligation shall be payable at the time of the homeowner's sale or transfer of the property or on a schedule agreed upon between the owner and the county if the owner desires earlier repayment. The loan shall be secured by a mortgage or other security interest to the county on the homeowner's property.

Payment on the obligation shall be to the housing and community development fund and shall become available for future appropriation under the community development program. (Ord. 5021 § 17, 1980: Ord. 3269 (part), 1977).

24.24.050 Performance of work - Prior approval of homeowner's costs required. Needed repairs to dwellings under the grant and loan assistance programs authorized by this chapter may be performed either by the housing authority, acting under an agreement with the county; or by the homeowner, either personally or by contract. The homeowner's material and hired labor costs shall be approved in advance by the housing authority; provided, that a homeowner shall not be reimbursed for his or her own labor, that of immediate family members, or that of residents of the dwelling. (Ord. 5589 § 2, 1981: Ord. 5021 § 18, 1980: Ord. 3269 (part), 1977).

Chapter 24.28
CREDIT ENHANCEMENT PROGRAM

Sections:

- 24.28.010 Authority.
- 24.28.020 Credit enhancement purpose and design.
- 24.28.030 Reserve funds.
- 24.28.040 Annual monitoring fee.

24.28.010 Authority. The executive is hereby authorized to implement a credit enhancement program utilizing the county's full faith, credit and resources to make available credit enhancements for workforce housing projects assisting the poor and infirm. The executive is further authorized to enter contingent loan agreements with housing developers provided that the total amount of outstanding project debt benefiting from a credit enhancement from King County through this program shall not exceed one hundred million dollars. The credit enhancement program and contingent loan agreements shall adhere to the parameters defined in K.C.C. 24.28.020. (Ord. 14269 § 2, 2001: Ord. 13093 § 1, 1998: Ord. 12808 § 2, 1997).

24.28.020 Credit enhancement purpose and design.

A. The credit enhancement program will add to the stock of workforce housing aiding the poor and infirm of King County. The program is intended to create an incentive to develop new types of housing, increased affordability for residents, and realization of multiple growth management goals. Extension of credit enhancements to housing developers to secure favorable financing terms for housing projects shall result in tangible benefits to the direct beneficiaries (poor and infirm residents of the proposed housing) and other public benefits, as appropriate. Credit enhancements may be utilized when: 1. enabling the development of needed housing that would not otherwise have been built were the credit enhancement unavailable; and/or 2. increasing the affordability of individual units that are targeted for lower income households within workforce housing projects; or 3. providing a payment to King County in lieu of additional project affordability for the purpose of developing affordable housing at another location.

B. Eligible applicants may include public housing authorities, non-profit organizations, for-profit organizations, local governments, public agencies, and public development authorities.

C. Eligible beneficiaries must be the poor and infirm of King County. These persons are commonly recognized as households earning eighty percent or less of the county median income and persons or households with special needs.

D. Credit enhancements are to be used to assist the development of mixed-income projects that add to the stock of workforce housing units in King County, including homeownership opportunities for eligible beneficiaries. Owned housing must remain affordable for subsequent buyers who are eligible beneficiaries or upon resale to an ineligible buyer the county shall recapture the subsidy provided by the credit enhancement. Rental projects must guarantee long term affordability to eligible beneficiaries. Eligible activities shall include new construction and acquisition and/or rehabilitation of existing housing when the final product will yield additional workforce housing units.

E. Projects assisted through the credit enhancement program must be located in urban centers or within close proximity to transit hubs or corridors. Projects proposed to be sited elsewhere may be considered when there are unique opportunities to aid eligible beneficiaries. These projects shall nevertheless demonstrate access to employment, transportation and human services, and adequate infrastructure to support housing development.

F. Applications for credit enhancements should be accepted year round to accommodate timely approval of final financial arrangements for projects. Proposed projects must detail the financial benefit of the credit enhancement over the life of the project and how that benefit will be realized by eligible beneficiaries residing in the project.

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G. All projects shall undergo rigorous internal county staff (housing and community development, finance and prosecuting attorney) review and underwriting for financial, legal and policy compliance. In addition, projects shall undergo external underwriting by the county's economic development consultant and bond counsel when merited. Where needed, opinions from a bond rating service shall be required. Credit enhancements shall be used to improve the credit worthiness of the housing developer, but shall never be used as a sole source of credit worthiness of an applicant. Developers and developer teams shall be competent, experienced and financially stable. Minimum standards for developers and projects shall be established by the executive.

H. Projects shall conform with applicable county requirements for contracting services.

I. All contingent loan agreements resulting in a credit enhancement for a project shall be structured to minimize the county's financial risk and shall ensure the county's right to review all project records and direct corrective measures deemed necessary to prevent financial instability, material or technical default. All agreements shall be reviewed and approved by appropriate county staff (housing and community development, finance, prosecuting attorney, risk management and shall be reviewed by the county's economic development consultant and bond counsel, as appropriate.

J. Projects receiving credit enhancements shall have the option to make a payment in lieu of providing additional project affordability. The payment shall be allocated to the housing opportunity fund for the sole purpose of funding development of affordable low-income housing.

K. Projects will vary in financial risk to the county. While financial risks are to be minimized, the county may extend credit enhancements where risks exist, provided the county has adequate financial reserves to cover county credit enhancement obligations. (Ord. 14269 § 3, 2001: Ord. 13093 § 2, 1998: Ord. 12808 § 3, 1997).

24.28.030 Reserve funds.

A. The executive shall establish a credit enhancement reserve account within the housing opportunity fund. Interest income generated by the reserve account shall be retained in the reserve account to increase the amount of credit enhancement reserve funds. Funds contained in the credit enhancement reserve account shall be used if, under the terms of a contingent loan agreement, the county is obligated to make a loan to a housing development that has received credit enhancement.

B. The executive is authorized to collect an application fee equal to 0.2 percent of the amount of project debt that is credit enhanced. The application fee shall be payable at the time that a contingent loan agreement is approved. The proceeds of this fee shall be deposited in the credit enhancement reserve account.

C. The credit enhancement reserve account shall not exceed an amount equal to one percent of the total outstanding credit enhanced project debt. Reserve account funds in excess of the required credit enhancement reserve shall be transferred to the housing opportunity fund. (Ord. 14269 § 4, 2001).

24.28.040 Annual monitoring fee. The executive is authorized to impose an annual monitoring fee of 0.05 percent of the amount of project debt that is credit enhanced. The proceeds of this fee shall be deposited in the Housing Opportunity Fund and used for program administrative costs. (Ord. 14269 § 5, 2001).

Chapter 24.60 INTERPRETATION

Sections:

- 24.60.010 Interpretation.
- 24.60.020 Severability.
- 24.60.030 Effective date.

24.60.010 Interpretation. The provisions of this title shall be interpreted in a manner consistent with federal statutes and regulations, and any possible conflict between the provisions of this title and federal law shall be resolved in favor of the latter. (Ord. 3269 § 501, 1977).

24.60.020 Severability. Should any section, subsection, paragraph, sentence, clause or phrase of this title be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining provisions of this title. (Ord. 3269 § 502, 1977).

24.60.030 Effective date. The ordinance codified in this title shall take effect on July 15, 1977. (Ord. 3269 § 503, 1977).

Chapter 24.64 HOME RENTAL REHABILITATION PROGRAM

Sections:

- 24.64.010 Funds used.
- 24.64.015 Appropriation authorized.
- 24.64.020 Loans to owners.
- 24.64.030 Repairs to properties.
- 24.64.040 Eligibility requirements.
- 24.64.060 Temporary or permanent displacement.

24.64.010 Funds used. Only federal HOME funds, federal community development block grant funds or other state or federal funds shall be used for the government funded portion of investor-owned rehabilitation projects as set forth in this chapter. (Ord. 10504 § 22, 1992; Ord. 6928 § 2, 1984).

24.64.015 Appropriation authorized. The county council may appropriate HOME funds for the purpose of a rental rehabilitation program for investor-owned properties. (Ord. 10504 § 21, 1992).

24.64.020 Loans to owners. The King County executive is authorized as part of the HOME rental rehabilitation program to enter into a participation agreement with one or more private financial institutions for the purpose of securing commitments of private capital to be loaned to owners of investor-owned properties for housing rehabilitation purposes. Repayment of the lender shall be the sole responsibility of the individual owners through standard mortgage loan agreements. (Ord. 10504 § 23, 1992; Ord. 6928 § 3, 1984).

24.64.030 Repairs to properties. Needed repairs to investor-owned properties performed under the program shall be performed by the owner either personally or by contract. The owner's materials and hired labor costs shall be approved in advance by King County. An owner shall not be reimbursed for his or her own labor or that of immediate family members or that of residents of the investor-owned property unless such residents are licensed contractors and meet state requirements for qualified contractors. (Ord. 10504 § 24, 1992; Ord. 6928 § 4, 1984).

24.64.040 Eligibility requirements. A. Investor-owned properties must house or be expected to house predominantly low-income tenants, as defined by federal HOME regulations, to be eligible for county rehabilitation assistance. Program assistance, up to fourteen thousand nine hundred ninety-nine dollars per unit, in the form of no-interest or low-interest secured loans may be provided to owners of investor-owned properties. Total rehabilitation assistance may consist of a combination of funds from a private lender or the owner, and rental rehabilitation program funds, community development block grant funds, or other federal funds.

B. Rehabilitation loans funds for investor-owned properties shall be used only to make essential repairs and to provide the other eligible costs as defined in the federal regulations of the HOME Investment Partnerships Act (HOME). Repairs shall be provided to meet the Section 8 Housing Quality Standards for Existing Housing. Repairs shall be approved according to the following order of priority:

1. major structural/mechanical system repairs including handicapped access;
2. energy conservation repairs;
3. building preservation repairs.
4. all other eligible repairs. (Ord. 10504 § 25, 1992: Ord. 6928 § 5, 1984).

24.64.060 Temporary or permanent displacement. King County shall give highest priority for rehabilitation assistance to investor-owned projects which will not result in either temporary or permanent displacement of tenants. In cases where either temporary or permanent displacement of tenants will result from the rehabilitation, tenant rental or relocation assistance consistent with applicable federal regulations as currently revised shall be provided. (Ord. 10504 § 26, 1991: Ord. 6928 § 8, 1874).

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(King County 12-2001)